

LENS 2 FOCUS QUESTION:

"WHAT CAN BE DONE TO ENCOURAGE YOUNG ADULTS TO REMAIN IN MAINE WHILE STILL ADVANCING THEIR CAREER PATHS, SKILLS, OR GROWING THEIR BUSINESS?"

Overview of Sessions.

Within this Lens, topics were identified by participants as issues for discussion. Each topic was assigned to a workshop time slot. The following pages contain the discussion notes and recommendations from each session. The notes are for participant reference and their meaning is not always evident to readers who were not present. Thus, the recommendations should be considered the clear statements from participants and notes only used to gain a general understanding of the context of the discussion.

Higher Education (Round 1 Table A)

Discussion Notes

- More opportunities for the graduate programs – higher quality programs
 - Help with Payment
 - Programs are outdated in the UMaine System – they are created around an economy that is no longer there and are not geared toward the future
 - Number of Schools (choices between UMaine and “Ivy League”)
- Continuing Education with a business cluster/education climate scenario
 - feeder industry – identify
- Maine Technology Institute- the future of our jobs – Research & Development
- The University System to create a PARTNERSHIP with a large corporation to facilitate a link between education and jobs, and attract students to not only go to UMaine, but to remain in Maine when their education is complete
- Distance Education Options for Community Colleges – staying in Maine, while obtaining an education in a different state
- School Loan Tax Break Program –
 - needs to be broader – beyond educational jobs
 - diversify the economy
 - Maine High Tech Patriot Program
- The Maine Air National Guard in South Portland – integrates military service with the opportunity for post-secondary education, on the job training, a paid internship, tuition assistance and loan repayment programs. (Pilot program)

Recommendations:

- 2A.1.1. Tax Incentives for all levels of Education [State]
- 2A.1.2. Education Subsidies [State]
- 2A.1.3. More in-depth programs in the Majors [State]
- 2A.1.4. Create more education cluster and paid training [State and Regional]
(look at Maine High Tech Patriot model – Maine Air National Guard @ S. Portland)
- 2A.1.5. Create Corporate Mentor Programs [State]
- 2A.1.6. Innovation of graduate programs- Survey of Programs offered by UMS in the state and more aggressive marketing on what we have (even to out-of-staters) - based on the results

- 2A.1.7. Identify strengths and weaknesses – identify areas of competitive advantage [State]
- 2A.1.8. More preparation for higher education in high school for all people [state]
- 2A.1.9. Establish more curriculum depth [state]
- 2A.1.10. More outreach to people with disabilities [state]

Health Insurance/Worker's Comp

(Round 1 Group B)

Discussion Notes

Issue 1. Affordability for small business, especially with high worker's comp costs

2B.1.1. Solution? – **Let employers who offer full health insurance get out of worker's comp. (They are paying twice for coverage)**

2B.1.2. Solution? – **Look at mandates, tort reform – is there over-regulation?**

2B.1.3. Solution? – **Market based solutions? Medical Savings Accounts?**

Issue 2. Workers comp reform – System not fair to employers.

2B.1.4. Solution? - **Allow people to go to their own doctors, not the company doctors.**

Issue 3. Employer-based system may not work – companies not paying enough?

2B.1.5. Solution? – **Raise corporate income taxes.**

Issue - Will it hurt our competitiveness?

2B.1.6. Solution? – **State-run health care.**

Issue – Can the government run health care successfully?

Issue 4. High costs

2B.1.7. Solution? – **Better overview for billing errors, etc.**

2B.1.8. Solution?– **Community medicine, preventative health care programs to improve health, avoid hospitalization**

Recommendations

See above solutions.

Small Business (Round 1 Table C)

Discussion Notes

Barriers to Entry

- Tax implications to new business
- Cost to hiring new employees
- Lack of resources available to support ramp up of learning curve to business
 - Where to find this information?
- Space and location: who has available space and can provide at a low cost
- Taxes and fees (see below)

Regulations

Education of entrepreneurs

- Some incentives, but there are regulations on the incentives
- Educating them on technology and how it works, a lot of new business owners are not aware of all the technology that can give them an advantage
- Make legal services more affordable for smaller business
 - Most cannot afford it
 - Most small business owners do not know what different types of law there are and how different lawyers can help them
- Taxes and fees
 - Employers have to match SS tax that employees pay and most businesses do not realize it
 - State levies additional fees (drinking water fees)

Focus on Small Business

- Incentive programs are geared toward large businesses
 - What if they would come in and fail (the large business)
 - This is a barrier to small business since the focus is more on the large businesses

Business Attraction Program

- the state does not fund anything for attracting business
- purely on private sector
- this is like a fee structure
- if we keep going to businesses asking for money, eventually they will stop providing funds for a program

Sharing Resources with regards to a start-up – what is a solution?

Recommendations:

2C.1.1 **Overall solution: consolidate many of the resources the state and other agencies currently have to allow the small business owner to have a one-stop location to get information about how they can start-up their business**

- Business services for a company starting up (STATE)
 - Business start-up co-op (STATE AND LOCAL)
 - attorney and accountant providing services (bundled)
 - what is fee structure?

- Business counseling
- SBDC resources and their information need to be consolidated
 - CEI, MITC, etc.
 - All this information and the resources should be on a state website.
 - FAQ's for new business start-ups on the Maine state website.
 - Could this information be on a state website for the new business attraction, etc.?
 - Who would fund this?
 - Government? They already have no \$\$ invested
 - Must remove politicizing of the activity

2C.1.2 **Top Priority:** Simplification of Resources (STATE)

- Must identify and eliminate the redundancy in business sectors. Break things up into more manageable industry sectors
 - *Small Business Co-Ops by Business Sectors (see below)*
- an advisory council or the like to help the reps in Augusta understand and make decisions about new business
- get all resources bundled together
- get the business incubator centers marketed and get the word out these spaces are available
- make resources easier to understand

2C.1.3 Reach out campaign, community marketing (STATE AND LOCAL)

2C.1.4 Consolidation of Resources – what is out there, Community Awareness (LOCAL AND STATE)

- buying from Maine companies to support other Maine companies
- database of who is out there, what are the services or products from all these companies
 - who can maintain and update that database?

2C.1.5 Small Business Co-Ops by Business Sectors (STATE)

- coordination of seasonal business sectors so people can stay with one community employment co-ordination for year-round employment in Maine
 - this allows one person to work in different jobs, maybe different locations in Maine, in different seasons
- coordination of seasonal sectors to benefit business
 - shared expenses and resources
 - continual employment and benefits
- Additional Advantages:
 - coordinate research between business sectors
 - building rapport within a business sector
 - allows for best practices to be defined and disseminated to members of the co-op or businesses starting

Year-Round Economy (Table D Round 1)

Discussion Notes

- Surprised how many people piece together several jobs. Summertime jobs tend to be low-wage, service-oriented, no benefits. Fishing, worming, wood harvesting, wreathing, tourism.
- Traditional aspect to this, but look at where we are. State has relied on tradition a long time. Do we rely too much on our traditions? On the one hand, the state has retained something appealing to tourists and outsiders, but on the other hand tradition can be hobbling
- Maine has relatively high corporate income taxes. Low wages can be offered, and low employee turnover is standard in Maine. We're attracting call centers, etc. At high end, state is good location for semiconductors, etc, good for manufacturing but not R&D because don't have the education.
- State spends \$7 million/year in tourist attraction, and maybe 0 in business attraction.
- Need balanced economy, manufacturing as well as services. A small investment from the state, if it gets companies in here, can go back into the tax base, take a burden off of social services because people are employed.
- Visa thing: we can't get enough people to work here and have to bring in Eastern Europeans, so we don't get job benefits, etc. Will Dirigo help? Will business play ball with it? Health insurance has to be affordable for seasonal workers.
- Are there factors or structures that would help to encourage a year-round economy?
- Are we allocating resources to natural resources-based industry?
- Is this seasonal employment a lifestyle choice? There is plenty of work that goes on to prepare for the next season lobstering and logging. For many jobs it's not actually seasonal work. (myth of seasonality)
- Response to importation of labor: have state kick in small amount to help raise wages, which would keep people off unemployment.
- Most seasonal jobs are 'benefit-poor,' which puts you in a trap. Health insurance and savings are important to people with seasonal jobs. Maybe health insurance should be able to migrate with jobs, and not be tied to employment.
- Tax disincentives to self-employment
- S corporations, person taxed at individual rate while getting liability of corporation. 15% FICA tax, higher tax for self-employed. Need to know how to write off things as business expenses.
- Many self-employed people are also in writing, art, software, information tech, etc. Self-employment clearly differs from seasonal employment, but some of the benefit/tax issues are similar. Either you go without health insurance, or provide it yourself. Same pay-in to social security whether self-employed or seasonal.
- We sell the place that is Maine, but maybe need to sell the idea of time to enjoy living here. Tax and benefits aren't tied to the ability to make economic choices to do leisure here.
- It seems like sole proprietors do well, but as soon as you start to employ a few people, the tax benefits disappear, and people tend to move to NH or have troubles.
- Emptying of communities at end of season is another problem in terms of services, government, etc.
- How can year-rounders take advantage of opportunities in a seasonal economy?

Recommendations:

- 2D.1.1. State could spend more money on business attraction. Balance image and message with the tourist effort. Maine has terrible reputation as a place to do business, but the reality is that we're competitive, we just need to get this message out. And, the state could use the same selling points: "put your business in a place with lots of great recreational opportunities." This can be state, county, and local effort.
- 2D.1.2. Have affordable health insurance that isn't tied to a specific job or industry. This would help people who have multiple seasonal jobs or are self-employed. Also would help with innovation because people are afraid to leave big companies. Probably needs to be state effort.
- 2D.1.3. Focus on attracting business opportunities that allow people to telecommute. Can work from home, etc.
- 2D.1.4. Need to build small businesses that can operate in this environment. Need to identify the businesses and industry that can do this type of work. There may be a basic level of infrastructure that the state could invest in- high speed internet, etc. State, county, local efforts.
- 2D.1.5. We need human resources investment so that people stay in small towns and are productive members of economy and community. Probably needs to be grass-roots and local, because won't work well if administered top-down.
- 2D.1.6. Train people to telecommute. We have lots of distance education in this state, but much is elementary level, need higher-level and college-level to bring opportunities to smaller places. Train people to supervise telecommuters also. University of Maine can help with this. It has to be convenient, lifelong learning because otherwise people won't drive an hour for it. 2D.1.7. Since distance education works on economies of scale, it might be difficult to meet niche needs. Distance education needs to go into homes and businesses, not just university to university. State effort, state funding, university and community college stakeholding.
- 2D.1.8. Local efforts to maintain year-round sense of community and activity.

Networking Opportunities

(Session 2 Table A)

Discussion Notes

The Challenge / The Pains:

- Lack of resources in rural v. urban aspect of networking
 - Opportunities are different, trying to find it is harder depending on your area
 - Where to begin and look for networks
- Exclusivity:
 - "the same old faces" doing things
- Mentoring:
 - Existing programs?
 - What exists? Apprenticeships, internships
 - Affordability of non-paying opportunities
- Cost of Hiring
 - Hiring cost
 - Training
 - Benefits
- Small Business Training

- Lack of knowledge and awareness of resources. They are available, but they are not easy to find
 - Prevents people from enhancing their skills through training
 - Example, Department of Agriculture funds an LSAT review course, but not many people know about it
 - USDA has money for grants to small municipalities to improve their areas: example, snowmobile funding
- Business conferences not available to continue networking
 - There are not many in Maine, must travel to NY, Boston for major conferences or training
 - Cost of attending these out-of-state conferences is very high for smaller businesses
 - Even conferences in-state, will many people attend? Do they know about the conference?

Recommendations:

- 2A.2.1 Promote training opportunities (STATE)
 - i.e. Department of Agri has foreign language training to LSAT training.
 - Who would think to go to that department?
 - SOLUTION: Portal for information
- 2A.2.2. Portal (STATE)
 - Team of students and mentors to build a portal for users
 - The team can build website with more usability for the end user
 - Marketing, IT, database management to build comprehensive solution for state
 - Must keep it manageable, what is initial focus?
 - Small business?
 - Transaction based systems
 - Could businesses invest in the program?
 - MTI involvement?
 - Smart searches for the site
 - Town Meetings
 - Towns could have sites hosted?
 - **Problem: How many people are connected to the internet?**
 - **Connectivity is a big issue, high speed**
- 2A.2.3. Mentoring
 - Promote retired executive program, put this information on the portal
 - SBA program
- 2A.2.4. Internship/Apprentice Programs
 - Cost of supporting the program
 - Supporting the business
 - Build a pool at the state level
 - Incentivize businesses to hire
 - Educate companies on the value of internships
 - Give a business the value proposition on why it is important (cost of hire, train, benefits and termination of one employee v. “test-driving” an intern at lower cost, no benefits and they (the intern) is more inspired to work for the company knowing they may get a full-time position later on
- 2A.2.5. Individual (**State**)

- Grant opportunities for paying or non-paying positions
- Need awareness of business resources
- 2A.2.6. Organization among Chambers of Commerce and Rotaries (**COMMUNITY**)
- 2A.2.7. Phone resources
 - Way to reach out to those with web access
- 2A.2.8. Leveraging ITV (interactive television)
 - Use for training, communications
 - Additionally, use for networking

Business Climate/Cost of doing business in Maine is too high (Table B Round 2)

Discussion Notes and Recommendations

Cost of Business Problems:

- Too many permits needed to expand business, each with fees
2B.2.1. Recommendation/Solution – Consolidation of agencies “single point of entry for businesses”
2B.2.2. Recommendation/Solution – Cut requirements on businesses, so fewer permits, etc.
2B.2.4. Recommendation/Solution – Make it harder to start new programs, pass bills that require permits, fees
- Fees getting higher
2B.2.5. Recommendation/Solution - Cut fees
- Too much regulation, overlap on regulation – hard to know to deal with (OHSA? Labor? DEP? EPA? DHS? MR?)
2B.2.6. Recommendation/Solution – Consolidation of state agencies, “single point of entry for business”
2B.2.7. Recommendation/Solution – Website for businesses that would help business know what to do?
2B.2.8. Recommendation/Solution – Get the state out of the way, take money from “incentive’ programs and give it back to businesses so they can expand
2B.2.9. Recommendation/Solution – Work with businesses on regulation enforcement
- DHS puts employers to work doing collection for them
2B.2.10. Recommendation/Solution – Have state reimburse employers
- Business Equipment Tax a disincentive to invest and grow business
 Business Equip. Tax on Purchase price, not on depreciated value, requires lot of inventory time, tax is assessed unfairly, some towns more aggressive than others
2B.2.11. Recommendation/Solution – Get rid of it
- To much standardization – all businesses treated the same
2B.2.12. Recommendation/Solution – work more one-on-one
2B.2.13. Recommendation/Solution – Use common sense! Trust people to do the right thing

- Too many people living off the state – costing the working class more and more.
2B.2.14. Recommendation/Solution – Look at these programs, make sure they are working – more regulation and accountability on state programs, not businesses.
2B.2.15. Recommendation/Solution – Strengthen enforcement on program fraud
2B.2.16. Recommendation/Solution – Look at unemployment program – has become a way of life for people.

Transportation Concerns

(Table C Round 2)

Discussion Notes

- Inadequate transportation routes
- Distance between employment and work
- Cost of Transportation
- Barriers for low-income population
- Distance of travel
- Questionable for “requirements for car” to work (requires justification and possibility discriminates against low-income families)
- 2nd and 3rd shifts
- DOT really disagrees with public transportation
- First priority seems to be highway, roads over public transportation
- Pollution
- Need to not get people to rely on the automobiles
- There is stigmatization around taking buses and for women a fear of taunting

Recommendations

- 2C.2.1 Work at home options to limit travel, flexible schedules
- 2C.2.2 Increase reliable high quality Regional Shuttles (includes IT capabilities, able to do work while driving)
- 2C.2.3 Prioritize public walking space and walking accessibility along major routes
- 2C.2.4 Identify and target particular populations (low income) and access transportation means
- 2C.2.5 Promote and support more IT tele-conferencing
- 2C.2.6 Increases Taxes
- 2C.2.7 Start with changing cultures by partnering with health, obesity campaigns, and environmental campaigns
- 2C.2.8 Develop customized shuttle based options based on elderly models, etc.
- 2C.2.9 Incentives companies that promote commuting options
- 2C.2.10 Create cheap car
- 2C.2.11 Bring in affordable airlines to compete with Southwest in Boston and New Hampshire

Discussion Notes and Recommendations**I. New or Expanding Markets with potentially strong fit to Maine****Issue A: Targeting Such Markets (in general)****State-level Recommendations**

- 2D.2.1. Identify emerging markets and trends (regional, nationwide, even worldwide).
- 2D.2.2. Be especially selective for those that could capitalize on Maine’s image (Outdoors, Natural, High Quality). Products based on that image (e.g., Old Town Canoe, LL Bean, Tom’s of Maine) have been proven successful in the broader, national market.
- 2D.2.3. Target business/tax incentives to those markets.
- 2D.2.4. Identify regions in Maine that could viably support (with a little help) those new markets – and enhance that region to do so.

Regional Recommendations:

- 2D.2.4. Identify emerging markets and trends (i.e., assist with state step 1 above)

Issue B: Specific Possibilities of Emerging Markets**State-level Recommendations**

- 2D.2.5. Environmental Sustainability Technology – Maine as a center for that industry. This could potentially use Loring, among other areas.
- 2D.2.6. Encourage out-of-state businesses to host executive training programs—with associated family activities—in Maine.

Regional Recommendations

- 2D.2.7. High-volume organic farming – market is expanding nationwide. Maine has some really good models (e.g. Wolfe’s Neck). Although limited by growing season, Maine can master/apply/create technology and export that technology and/or training (in addition to products themselves). Maine can also pursue innovation
- 2D.2.8. Home schooling products and services – UMaine education department could get involved. Online marketing would greatly leverage.
- 2D.2.9. Ecotourism – 2-6 week programs that combine environmental education and tourism.

Issue C: By-products of existing industries**Local with State assistance; Recommendations:****2D.2.10. – Listed as**

- Biodiesel – currently ineffective in cold weather. Maine could focus on developing technology to adapt biodiesel to cold.
- Compost – made from salmon/blueberry/etc. waste. This is already being done in Maine—could expand or enhance market.
- Other “Waste” – actively explore alternative uses of industrial waste.
- State government incentives to encourage non-profits to locate in Maine. For example, discounted/free leasing of land could be provided as state match for the non-profit’s existing funding base.

Topic Unidentified. (Round 3, Table C)

Discussion Notes

No background information was submitted.

Recommendations:

- 2C.3.1 (S) Leverage Technology
 - educate (long term benefits)
 - access to...
- 2C.3.2 (L) Leverage internships / schools to help companies get on internet at lower cost
- 2C.3.3 (S) Business Marketing \$ / prioritize message
 - quality of life
 - close community
- 2C.3.4 (S, L) Strengthen/ Grow existing businesses
- 2C.3.5 (S) Target Former Mainer's
- 2C.3.6 (S, L) Clusters of business to offer career paths
- 2C.3.7 (S, L) Invest in 'prepping' regions for business / economic growth
 - tools to succeed
 - 'urbanize'
 - infrastructure (facility, etc.)
 - tax breaks/ incentives

* Add value to products made here (lobster)